

CPI AND INFLATION RATES FOR THE MONTH OF SEPTEMBER 2009

Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates pertaining to the month of September 2009, for your information and use. This data is generated through monthly data collection from retail outlets in 13 urban centers in Kenya and is perceived to represent the spending behaviour of Kenyan urban households. Prices are collected in selected retail outlets within the second and third weeks of the month of review in order to maintain consistency.

The CPI increased by 1.1 percent from 341.19 points in August 2009 to 345.03 points in September 2009. Month-on-month overall inflation rate decreased from 18.4 percent in August 2009 to 17.9 percent in September 2009. The month on month underlying inflation rate which excludes food items from the CPI basket also dropped from 3.5 percent in August to 3.2 percent in September 2009.

Table 1 shows Weights and the percentage changes to the indices of broad categories of items in the month of September 2009 compared to August 2009 (previous month) and the month of September 2009 compared to September 2008 (previous year).

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Broad Item Group	% Weights	% Change on Previous month (September 09/ August 09)	% Change on Previous year (September 09/ September 08)
Food & Non-alcoholic drinks	50.50	1.4	25.2
Alcohol & Tobacco	2.97	0.3	5.1
Clothing & Footwear	9.00	0.3	4.9
Housing Costs	11.74	1.1	8.0
Fuel & Power	4.18	0.7	-9.5
Household Goods & Services	5.82	-0.2	5.8
Medical Goods and Services	1.59	0.2	12.0
Transport & Communication	5.75	0.5	1.2
Recreation & Education	6.02	0.1	5.6
Personal Goods	2.45	0.1	9.4
Average all Groups	100.00	1.1	17.9

Food and non alcoholic drinks' index went up from 478.32 points in August to 484.98 points in September 2009. This increase of 1.4 percent was due to rise in the prices of Sukuma Wiki, Milk, Sugar and Cabbages among other food items. On average, the price of a kilogram of Sukuma Wiki was retailing at KSh. 33.17 in September 2009 compared to KSh. 30.98 in August 2009, an increase of 7.09 percent. Similarly, the average prices of Milk, Sugar and Cabbages went up by 1.98, 1.40 and 4.64 percent, respectively. There were notable falls in the prices of Shifted Maize flour, Onions, Tomatoes and English potatoes by 2.20, 4.96, 2.25 and 2.10 percent respectively. However, the price increases outweighed

the decreases resulting in a higher food index.

During the same review period, the fuel and power index increased by 0.7 percent from 351.66 points in August to 354.20 points in September 2009. This was mainly due to increase in the cost of electricity and charcoal by 8.01 and 1.04 percent respectively.

Table 2: Overall CPI Movement from October 2008 to September 2009: (October 1997=100)

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
October-2008	295.38	1.0	
November-2008	301.79	2.2	29.4
December-2008	306.28	1.5	27.7
January-2009	318.02	3.8	21.9
February-2009	333.21	4.8	25.1
March-2009	345.33	5.0	25.8
April-2009	355.36	3.8	26.1
May-2009	348.76	-1.9	19.5
June-2009	342.38	-1.8	17.8
July-2009	337.60	-1.4	17.8
August-2009	341.19	1.1	18.4
September-09	345.03	1.1	17.9

Source: Kenya National Bureau of Statistics